GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:589
ANSWERED ON:23.02.2001
SHORT TERM LOAN TO CYCLONE AFFECTED PEOPLE OF GUJARAT
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have provided a Special Short term loan through banksto cyclone affected people of Gujarat for their rehabilitation, restruction and repair of houses; and

(b) if so, the bank-wise amount provided so far ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) Reserve Bank of India has issued standing guidelines io banks in august 1984, to befollowed by them for providing immediate relief in areas affected by natural calamities/ riots etc. without waiting for instructions from RBI. The said guidlines enable banks to take uniform and concerted action expeditiously, particularly to provide financial assistance to agriculturists, small scale industrial units, artisans, small business and trading establishments affected by natural calamities. In June 1998, these guidelines were further liberalized with a view to allowing greater discretion to banks to decide on the quantum of relief assistance to be provided to the affected farmers. The guidelines, inter-alia, enable banks to :

1. Convert/reschedule loans in the event of natural calamity for periods ranging from 3 to 9 years depending upon the successive crop failure/ intensity of damage to crops.

2. Grant fresh crop loans to affected farmers.

3. Convert principal as well as interest due on the existing loans.

4. Grant consumption loans.

5. Not to treat portion of converted/rescheduled loans as NPAs

6. Not to compound interest in respect of loans converted/rescheduled etc.

7. Provision of additional need-based crop loans/working capital

8. Relaxation in security and margin norms.

(b) The information is being collected and will be laid on the Table of the House.